

1999/2000 FAC Reconciliation Rider

Purpose: The purpose of this rider is to provide the mechanism by which the Company will refund to or recover from customers any ordered reconciliation amounts resulting from a Final Order of the Illinois Commerce Commission in ICC Docket Nos. 99-0468 and 00-0724, which adopts the Stipulation entered into by the parties on August 3, 2001. Those docketed proceedings were initiated for the purpose of reconciling CILCO's fuel cost recoveries with its allowable fuel costs pursuant to the Company's Electric Fuel Adjustment Clause (FAC) for the years 1999 and 2000.

Applicability: This rider shall be applied to each kilowatt-hour (kWh) of energy supplied to retail customers served by the Company under all service classifications, rates, riders and/or special contracts for which the charge for such energy is subject to adjustment for increases and decreases in the cost of fuel pursuant to the Company's Electric Fuel Adjustment Clause.

Ordered Reconciliation Factor (Factor Ro): The Ordered Reconciliation Factor (Factor Ro) is the amount of refund or recovery, if any, expressed in cents per kWh, rounded to the nearest .001 cents. The Factor Ro shall be based on the kWhs estimated to be billed to retail customers during the Company's billing periods. The refund amount will be reduced by the amount refunded to retail customers under the Keystone/Caterpillar FAC Reconciliation Rider.

Interest: The Company shall calculate interest on any unrefunded amounts for the year 1999, at the effective rate approved by the Commission for customer deposits, beginning on August 1, 2001 through the billing date the refund is incorporated into the customer's bill.

The Company shall calculate interest on any unrefunded amounts for the year 2000, at the effective rate approved by the Commission for customer deposits, beginning with the first day of the month following the entry of the Commission Order approving the settlement of Docket No. 00-0724 through the billing date the refund is incorporated into the customer's bill.

Terms and Conditions: The Factor Ro, determined pursuant to this rider, shall be applied to customer bills beginning with the first billing cycle of the September 2001 billing period and ending with the twenty-first billing cycle of the February 2002 billing period. This six-month billing period shall be referred to as the initial application period.

The Factor Ro shall remain in effect for the initial application period and continue to be applied until the earlier of: 1) the remaining balance is no longer large enough to result in a factor greater than .001 cents per kWh or less than -.001 cents per kWh or 2) the effective date of the 2001 FAC Reconciliation Rider. Upon the effective date of the 2001 FAC Reconciliation Rider, any balances remaining from the application of Factor Ro shall be rolled into the 2001 FAC Reconciliation Rider amount. At that time, the Company shall file a report with the Illinois Commerce Commission and send a copy to the Manager of Accounting, Financial Analysis Division.

By the fifth day prior to the first day of each effective billing period, beginning on August 27, 2001, the Company will file with the Illinois Commerce Commission the rate (Factor Ro) to be applied to each kWh and the supporting calculation and work papers of any charges or refunds to be made under this provision. Copies of all filings shall be sent to the Manager of Accounting, Financial Analysis Division.

Rates under this rider shall be subject to all applicable add-on taxes and other add-on charges.